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ABSTRACT

Spanish American political and economic development has historically diverged from the other Western geographic areas. The economic systems of these nations have been characterized as dependent, and their political systems have reflected instability, authoritarian rule, and fraudulent democracy. In Peru, industrial progress began in the late 19th century as a result of growth in the exportation of raw materials. Textile production became the leading domestic industry, and a financial infrastructure began to develop. However, by the early 1900s, autonomous industrial development ceased to increase because prices of domestic goods rose faster than prices of imported materials, and the politically powerful elite and national leaders did not support domestic industrial growth. This paper proposes that the state plays a crucial role in industrial development, not as a result of economic or social forces, but as a side-effect of political functions and roles. (JHP)

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THE STATE AND INDUSTRIAL DEVELOPMENT IN LATE NINETEENTH AND EARLY TWENTIETH CENTURY PERU

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...but concretely, things have turned out differently than could have been anticipated.

V.I. Lenin

INTRODUCTION

Spanish American political and economic development has historically diverged from the norms of other Western areas. Economically, Spanish America has been characterized by "dependency," a condition which has been described by various authors as the inability of an economy to self-generate capitalist growth and development as a consequence of its integration into the world capitalist system as a periphery or satellite of the advanced capitalist economies.[1] Politically, it has been characterized by a lack of stability in its political regimes, authoritarian rule, and fraudulent democracy. Many observers have pointed to what appears to be an obvious connection between the two -- economic underdevelopment/dependency and political underdevelopment/instability. One group generally argues the primacy of the former as an explanation for the latter (economic underdevelopment/dependency causes political underdevelopment/instability)[2] while others argue the primacy of the latter in explaining the former (political underdevelopment/instability causes economic underdevelopment/dependency).[3] My own past research, however, points to the fallacy of both these determinist positions and rather, towards a dialectical relationship between the two.[4] In effect, political development, which is conditioned by and occurs within the context of a particular economic structure, has

effects on and conditions those economic structures and their development. This is an essential first step in understanding the relationship of the state and state building to economic development in Spanish America and can better inform current and historical research on Spanish American development.

This paper presents elements which will become part of a larger study on early Spanish American industrialization and is therefore partial and incomplete. The larger study will focus on the transitions of two Spanish American countries - Peru and Argentina - from politically oligarchic dependent agro/mineral export economies in the late nineteenth century into middle class authoritarian/populist dependent import substitution industrial economies in the twentieth century. Economically this transition represents a flawed and partial transition to industrial capitalism; politically, it represents a flawed and partial transition to liberal democracy.[5] Here, I will be concerned only with a preliminary examination of the issues surrounding late nineteenth and early twentieth century industrialization in Peru.

There is a good deal of controversy surrounding the periodisation of Spanish American industrialization. Current scholarship generally holds that import substitution industrialization was the result of changes in the world economy which <u>forced</u> Spanish American countries to begin the industrialization process. Specifically, it is argued that the crisis of the world wide depression of the 1930s required these economies to partially industrialize in order to replace manufactured goods they could no longer import as a result of the collapse in prices of the agro/mineral products they exported.[6]

Dependentistas, such as Andre Gunder Frank, argue that this period was an opportunity for Spanish American nations to break the cycle of dependency imposed upon them by their integration into the world economy as agro/mineral export economies in the nineteenth century. However, the argument continues, this opportunity was lost when the core capitalist states re-imposed their economic hegemony after World War II (particularly the United States) and re-integrated Spanish America into the world economy as dependent industrial economies.[7]

Nevertheless, there is some important disagreement about the timing and extent of the transformation in at least some Spanish American countries. While *dependentistas* tend to argue that industrialization in Spanish America had its origins in the crisis of the 1930s, their critics have argued that in some countries the import substitution industrialization process began much earlier. In Argentina and Peru, for example, the late nineteenth century saw considerable progress towards industrialization based upon the processing of raw materials ordinarily exported. Such industry was very successful, particularly in providing cheap wage goods to the growing urban working classes. It seems, though, that while the process of import substitution continued unabated in Argentina through the 1930s depression, in Peru it collapsed in the wake of World War I.[8]

THE THORP AND BERTRAM THESIS OF EARLY PERUVIAN INDUSTRIALIZATION

This period of early Peruvian industrialization is now well documented and analyzed in the works of Rosemary Thorp and Geoffrey Bertram,[9] though there are still some who, while taking note of this research, argue that the industrial sector was insignificant and

dominated by artisanal production.[10] Nevertheless, even if what is observed is only the first small steps of an incipient industrialization process, it is still significant in that it begins at least forty years before what is generally accepted.

Although some measure of foreign investment was involved in this early (1890s) industrial spurt, most of these small industries (mainly centered in Lima and to a lesser extent Arequipa) were domestically financed and catered to the domestic market. The leading industry was textile production with far and away the bulk of capital invested, value produced, and workers employed. Though considerably less significant, domestic firms did begin manufacturing such diverse products as crackers, pasta, chocolate, hats, matches, cigarettes, soft drinks, and beer.[11] In addition to these mainly consumer oriented industries, this early period saw the creation and expansion of a financial infrastructure necessary to modern capitalist industry - banks, insurance companies, and a stock exchange.[12] There is even some evidence of an incipient capital goods sector as local foundries are reported to have produced waterwheels, pumps, spare parts, castings, and machine inputs for the export agriculture and mining sectors.[13] While not spectacular by the standards of advanced capitalist industrial economies, these manufacturing concerns did make an important dent in the importation of consumer items from overseas - particularly that of textiles.[14] Nevertheless, within thirty years the expansion turned to contraction and the promise of industrialization put off until the 1950s.

Thorp and Bertram have put forward the most compelling argument for both the rise and demise of early Peruvian industrialization.

Briefly, they cite three factors which quite accidently all converged to create the conditions for autonomous industrial development in the 1890s. First, the 1890s saw a relatively high and rising demand for consumer goods. This rise in demand was fueled by increased earnings derived from the agro-export sector which was mostly locally owned and had, because of its structure, fairly widespread income effects. Second, the same period saw a falling exchange rate which caused domestic prices to remain relatively stable while the prices of imports rose. This, along with the third factor -- sharply increased tariffs put in effect during the 1880s and 1890s to, they argue, bolster state revenues, combined to direct consumption toward the internal market and made domestic manufacturing a profitable avenue of investment. In fact, Thorp and Bertram claim that not only idle capital from the declining silver industry (with the collapse of silver prices entrepreneurs sought other outlets for their capital) but also capital from the booming sugar and cotton sectors found profitable outlet in and fueled the expansion of domestic manufacturing.[15]

According to Thorp and Bertram, this 'conjuncture of factors' did not last long. By the turn of the century these factors began to turn against any autonomous industrial development in Peru. First, by the turn of the century the price advantage of domestic goods began to seriously erode. Between 1902 and 1911 the prices of domestic goods rose between 65% and 95% on average while the prices of imported goods rose only a modest 17% on average. This change is attributable to the fact that after Peru abandoned the silver standard the exchange rate was held at par. When the exchange rate began to appreciate

considerably in the period 1910-1920, the protection afforded by high tariffs disappeared as rates were based on the quantity, not the value of goods.[16]

Logically, industrialist and investors should have taken note of these disadvantageous changes and strongly lobbied for state action to correct them. However, Thorp and Bertram argue that two factors made this course an unlikely one. First, many small industrialists were foreign born with virtually no political clout. Second, many industrialists were at the same time agro-exporters or merchants who could easily shift their capital to the more profitable export sectors and thus did not attempt to force the state to rectify either its unfavorable (for industry) exchange rate policy or tariff policy.[17]

It is this, in fact, more than the changing relationship of the Peruvian economy to the world economy that Thorp and Bertram and those who hold to their thesis cite as the primary reason the industrializing trend was not maintained. Had the politically powerful elite supported industrialization, the Peruvian state would have been forced to insulate the the nascent industrial sector from these external forces. [18]

THE STATE, BOURGEOISIE, AND INDUSTRIALIZATION

This focus on the need for political supports and state intervention in the industrialization process is essentially correct, but the emphasis is misplaced. If political supports from powerful social classes were the essential element in the development of industrial capitalism, we probably would not have seen its development in Germany, Japan, or the United States, to name only a few. Modern industrial capitalism has, in the main, primarily been a result of

state encouragement, state policies, and often state coercion. By eschewing investment in industry, the Spanish American bourgeoisie was not in the least acting out of character with their brethren worldwide. John Merrington, writing about the typical commercial bourgeoisies of seventeenth century Europe, notes how reluctant they were to invest in industry, preferring rather "usurious forms of rent and tax farming."[19] Nor was the Japanese bourgeoisie much different, as Frances Moulder relates,

> ...the commercial bourgeoisie has repeatedly shown itself reluctant to invest in modern industry without government prodding and encouragement. In Japan after the Restoration, there was little interest by bourgeois investors in investing in large scale modern industry. Industrial investment was forthcoming only after vigorous state effort to prove its potential profitability and to eliminate risk. It appears that Japan's bourgeoisie would have remained commercially oriented in the absence of government interest and would have doomed the nation to industrial backwardness.[20]

With the bourgeoisie in general reluctant to support the industrializing enterprise then, it is not difficult to understand the mercurial shifts of the Peruvian elite back and forth between industrial investment and export agriculture/mineral investment depending upon what conditions warranted. They, like capitalists everywhere, sought the highest profit at the lowest risk -- reacting to rather than creating the conditions within which they operated.

The shifts in these conditions, as Thorp and Bertram make clear, had much to do with state policies that had the effect of either

encouraging or discouraging industrial development and expansion. Nevertheless, it is rather unclear what the basis of these polices really were. The obverse side of the Thorp and Bertram argument -- that no politically powerful class was committed to manufacturing industry -- is that the state did the bidding of of politically powerful groups who favored policies supporting the export sector or/and urban consumers who reacted against the increasing prices of consumer goods and clamored against protectionism.[21]

Given the emphasis of Peruvian historiography on this period of the existence of an "agro-export oligarchy" which controlled the state, this should not be a surprising conclusion. Although variously described, this oligarchy is seen as either an undifferentiated group or made up of heterogeneous factions allied on the basis of two fundamental interests -- one, the maintenance and expansion of the agro/mineral export economy and two, the exclusion of the masses from political power.[22] While well supported in the literature, the claims for the political omnipotence of this ruling class have not gone unchallenged. Vincent Peloso, while acknowledging the existence of an "oligarchy," argues that its control of the state was "precariously selective." Rather, in most cases they preferred control of local governmental apparatuses as against a powerful central state which they might not have been able to fully control.[23] Similarly, Rory Miller, in his recent work on the coastal export elite, concludes that, "A more extensive reading of the primary sources on the period confirms the intensity of political conflict within the ruling groups between 1895 and 1919, and the limits to the omnipotence of the coastal elite."[24] In effect, rather than a homogenous group or allied

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heterogeneous grouping, the oligarchy was fractured by conflicts which made it impossible for it to act as the hegemonic ruling class usually described. This position is even more strongly argued by Baltasar Caravedo who sees a regional basis for elite conflict which precluded its ability to dominate the state,[25] and Frederick Strirton Weaver and Ronald Berg who argue that such disunity allowed the state to become relatively autonomous from all social forces.[26]

If an economically powerful social force like the agro/mineral export oligarchy was unable to directly control state policy, it is then difficult to conceive of such direct control being exercised by urban consumers concerned with the rise in prices which higher import tariffs would have caused. As I will argue later, however, they may have influenced state policy in a quite different manner -- as, perhaps, a problem of social/labor control when they reacted to higher prices with strikes and riots.[27]

The instrumentalist notion of the state implied by Thorp and Bertram's analysis, although often shared by both pluralist and some marxist theorists of the state, is, as I have indicated, rarely unproblematic.[28] Those who hold this position must stretch their imaginations to connect specific state policies to specific social forces and must prove that those social forces were the actual authors of those policies. This is not to say that social forces do not influence state policies and actions as constraints on state policies and actions. They most certainly will and may lead the state to carry out policies and actions with quite unintended consequences -- for example, policies and actions which encourage manufacturing industry. If we are to understand why Peruvian state policy in the late

nineteenth and early twentieth century first did and then did not encourage industrial growth and development we must first seek the elements that determine state policy. In the following few pages I will present an alternative view of the determination of state policy and suggest several ways it might be employed to explain both state support and subsequent lack of state support for late nineteenth and early twentieth century Peruvian industrialization.

STATE AUTONOMY AND EARLY PERUVIAN INDUSTRIALIZATION

By employing a structuralist theory of the state which views state action and policy as resulting from the carrying out of essential state functions or roles, I will ask why industrialization was or was not in the interest of the Peruvian state. Here, the essential functions of the state are defined as the managing political and economic intra- and inter-class conflict and competing in the international/regional environment with other states.[29] In effect, state policies which encouraged or discouraged industrialization (and different types of industrialization) in late nineteenth and early twentieth century Peru are seen as being the result of efforts by the state to maintain internal order (the rule of the dominant classes), its international/regional position and integrity, and its attempts to secure the resources and legitimacy required by these functions and roles. Economic development then is a consequence (intended or unintended) of the specifically political functions or roles of the state. The state operates, however, in a economic, social, and political environment which conditions, affects, and sets limits to how it (and whether it) can perform its purely political functions or roles.[30] These factors are not inconsequential. Any analysis of the

economic and political development of this period must include the conditions of the world economy, the potential of the internal economy (raw materials, accumulated capital, population resources, technical abilities, infrastructure, etc.), the level of political and economic conflict, and available and/or potential class supports for state policies. Nevertheless, these are conditioning and limiting variables, not determinant variables of state led transition to industrial capitalism.

It should be made clear here that this is not an attempt to reify the state. It is clearly understood that the state is made up of real people and is affected by real people and their interests and institutions. Nevertheless, this approach acknowledges that the state is an institution with particular interests and functions of its own which tend to be internalized by those who direct it. In Samuel Huntington's estimation, the hallmark of the state as an institution is the generation of its own interests which necessarily become the "public interest."[31]

The usefulness of this approach can be illustrated by analyzing the controversial issue of the Peruvian tariff in the period under discussion. Rather than a barometer of the control over the state by the agro/mineral export oligarchy or domestic industrial interests, the level of the tariff may be seen as reflecting the strength of the state vis a vis the various social forces. Although these social forces might have viewed the issue of tariffs in the context of protectionism and free trade, the state employed them almost without exception as a means of revenue generation. As Julio Revilla contends, if in the final analysis tariffs in the 1890s came to be

protectionist, they were so by accident not design. In fact, he quite perceptibly argues that tariffs were high in this period for the purpose of building up the weak state apparatuses.[32]

This of course does not explain the relative abandonment of tariffs as the major source of revenue growth from 1900 to 1920, or the raising of rates to 1900 levels again in the 1920s. This choice of revenue generating policy, as I have noted above, is clearly related to the strength of the state vis a vis powerful social forces. When the state is weak, import tariffs (and sometimes export tariffs) are often the only available means to raise revenues. The alternative of internal taxation is out of the question when the state does not have the legitimacy or coercive force needed to collect them.[34] However, when the state is strong in relation to those same social forces -- when it can enforce an internal taxation policy -- tariffs may be lowered (this may also enhance the state's social control capabilities by eliminating a major cause of urban consumer/worker dissatisfaction -- high prices of domestic and imported goods) or simply ignored as a means of state revenue growth. This in fact appears to have been the case in Peru between 1890 and 1930. Initially, high tariffs reflected state weakness in the wake of the disaster of the War of the Pacific and the ensuing political instability and economic ruin. By 1900 though, with state apparatuses and legitimacy having been re-established under the tutelage of Nicolas de Piérola, a decided shift toward internal taxation becomes obvious.[35] It was not simply a matter of Peru being "exceptionally undertaxed," as Thorp and Bertram argue, that allowed for the expansion and extension of internal taxation, it was more importantly

that now the state could tax.[36] When the state again weakened in the 1920s under the administration of Augusto B. Leguia, we observe a renewed rise in tariffs (although not enough to re-stimulate the industrial spurt) and, more importantly, a reliance of the state on foreign loans and capital to prop up and create class support for the regime.[37] The existence of tariff protection therefore is directly related neither to the structure of the world economy nor the control industrialists have over the state. Rather, it is consequence of the state performing its purely political functions or roles.

A similar approach might be taken to the issue of the penetration of foreign (mainly U.S.) capital which is often cited as a cause of Peruvian backwardness in this period and whose encouragement by the state is usually explained in terms of its alliance with the oligarchy.[38] As suggested above, the state under Leguia which so encouraged foreign penetration may have done so to secure the resources necessary to build a base of support to counter the Civilista elite which opposed it. Leguia may also have favored U.S. interests in the hopes that such ties might favorably dispose the U.S. government to assist Peru in its numerous territorial disputes. In fact, according to Ronald Bruce St.John, Leguia was intent upon involving the U.S. in the settlement of Peru's dispute with Chile over Tacna/Arica because he believed that the close ties of the U.S. to the Peruvian economy would almost assuredly lead it to favor Peru.[39]

While the examples cited above are suggestive rather than definitive, they do offer an alternative explanation of state policies which encouraged or discouraged industrial development without relying upon an instrumentalist theory of the state. While class interests

could not help but have affected state policies they, given the contradiction between their interests and the ability of the state to perform its functions or roles, could not have been determinative. Certainly Leguía's treatment of prominent members of the oligarchy -- imprisonment, exile, confiscation of property -- during the *Oncenio*, and the extreme attacks against *Leguistas* led by the oligarchy in the wake of the regime's downfall are proof enough that dominant class interests and state interests do not always coincide.[40] What I have attempted to emphasize (perhaps overemphasize) is the crucial and central role that the state plays in the transition to industrial capitalism. However, the state does not play this role as an economic actor nor at the direct behest of any social force. It plays this role (if it does at all) as a side effect of its purely political functions and role. Thus, state policies which often appear irrational when analyzed from an economic perspective, always clearly have some political rationality. When studying development in Spanish America (and for that matter anywhere at all) we would do well to remember Lenin's realization about the revolution he had made which was quoted at the head of this paper -- "...but concretely, things have turned out differently than could have been anticipated."[41]

NOTES

1 The 'dependency' approach has generated a large number of theoretical and empirical studies of Latin American, as well as African and Caribbean underdevelopment. The most succinct statement of what dependency is has been offered by Theotonio Dos Santos who writes, "Dependence is a conditioning situation in which the economies of one group of countries are conditioned by the development and expansion of others. A relationship of interdependence between two or more economies or between such economies and the world trading system becomes a dependent relationship when some countries can expand through self-impulsion while others, being in a dependent position, can only expand as a reflection of the dominant countries, which may have positive or negative effects on their immediate development." Theotonio Dos Santos, *"The Crisis of Development Theory and the Problem of Dependence in Latin America,"* in H. Bernstein, Underdevelopment and Development (Harmondsworth, Eng.: Penguin, 1973). For the uninitiated there are several good reviews of the dependency literature, see J.S. Valenzuela and A. Valenzuela, *"Modernization and Dependency,"* Comparative Politics Vol.10, No.4 (July 1978): 535-557; Richard Fagen, *"Studying Latin America: Some Implications of a 'Dependencia' Approach,"* Latin American Research Review Vol.12, No.2 (1977): 3-26; Ronald H. Chilcote, Theories of Development and Underdevelopment (Boulder: Westview Press, 1984); Magnus Blostrom and Bjorn Hettne, Development Theory in Transition (London: Zed Press, 1984). The two most important early dependency works are, Andre Gunder Frank, Capitalismo y Subdesarrollo en America Latina (Habana: Instituto de Libro, Editorial de Ciences Sociales, 1970) and Fernando Henrique Cardoso and Enzo Faletto, Dependency and Development in Latin America (Berkeley: University of California Press, 1979). Two important recent empirical studies employing the dependency approach are, Theodore Moran, Multinational Corporations and the Politics of Dependence (Princeton: Princeton University Press, 1974) and Peter Evans, Dependent Development (Princeton: Princeton University Press, 1979).

2 See Frank, Capitalismo; Andre Gunder Frank, Lumpenbourgeoisie - Lumpendevelopment (NY: Monthly Review Press, 1972); and Clive Thomas, The Rise of the Authoritarian State in Peripheral Societies (NY: Monthly Review Press, 1984).

3 See for example, John Johnson, Political Change in Latin America (Stanford: Stanford University Press, 1958) and William P. Glade, The Latin American Economies (NY: Van Nostrand, 1969). Among modernization theorists, Samuel Huntington uniquely separates the two - economic and political modernization - arguing that they are distinct developments, Samuel Huntington, Political Order in Changing Societies (New Haven: Yale University Press, 1968): 32-58.

4 Douglas Friedman, The State and Underdevelopment in Spanish America: The Political Roots of Dependency in Peru and Argentina (Boulder: Westview Press, 1984).

5 See the pathbreaking work of Karen Remmer, *"Economic Dependency and Political Conflict: Chile and Argentina, 1900-1928,"* Studies in Comparative International Development Vol.11, No.2 (Summer 1976): 3-24.

6 See for example, Frank, Capitalismo; Cardoso and Faletto, Dependency; Juan Corradi, The Fitful Republic: Economy, Society and Politics in Argentina (Boulder: Westview Press, 1985); and Celso Furtado, The Economic Development of Latin America (NY: Cambridge University Press, 1970).

7 Frank, Lumpenbourgeoisie, 75-91.

8 See Rosemary Thorp and Geoffrey Bertram, Peru - 1890-1977: Growth and Policy in an Open Economy (NY: Columbia University Press, 1978); Laura Randall, An Economic History of Argentina in the Twentieth Century (NY: Columbia University Press, 1978); Ezequiel Gallo, *"Agrarian Expansion and Industrial Development in Argentina, 1880-1930,"* in Raymond Carr (ed.), Latin American Affairs - St. Antony's Papers No.22 (London: Oxford University Press, 1970): 45-61; Donna J. Guy, *"Carlos Pellegrini and the Politics of Early Argentine Industrialization, 1873-1906,"* Journal of Latin American Studies Vol.2, Part 1 (May 1979): 123-144; Pascal Arnaud, Estado y Capitalismo en America Latina (Mexico City: Siglo XXI Editores, 1981); Javier Villanueva, *"El Origen de la Industrializacion Argentina,"* Desarrollo Economico Vol.12, No.7 (Oct.-Dec. 1972): 451-476.

9 Thorp and Bertram, Peru - 1890-1977; and Rosemary Thorp and Geoffrey Bertram, *"Industrialization in an Open Economy: The Case of Peru, 1890-1930,"* in Rory Miller, et. al., (eds.) Social and Economic Change in Modern Peru Monograph Series #6, University of Liverpool Centre of Latin American Studies, 1976.

10 Victor A. Madueño, *"La primera guerra mundial y el desarrollo industrial del Perú,"* Estudios Andinos Vol.9, No.17-18, (1981):44.

11 Thorp and Bertram, *"Industrialization...,"* 57; Madueño, 42-46; and Julio Revilla, *"Industrialización temprana y lucha ideológica en el Perú 1890-1910,"* Estudios Andinos Vol.9, No.17-18, (1981):4-13.

12 Thorp and Bertram, *"Industrialization,"* 57; and Revilla, 4-13.

13 William Bollinger, *"The Bourgeois Revolution in Peru: A Conception of Peruvian History,"* Latin American Perspectives Issue 14, Vol.4, No.3 (Summer 1977):34.

14 Thorp and Bertram, Peru - 1890-1977, 119-124; and Revilla, 5-6.

15 Thorp and Bertram, "*Industrialization,*" 55-57.

16 Thorp and Bertram, "*Industrialization,*" 60-62.

17 Thorp and Bertram, "*Industrialization,*" 62-63.

18 Thorp and Bertram, Peru - 1890-1977, 37-38 and 142-144; Madueño, 51-52; and Revilla, 21-25.

19 John Merrington, "*Town and Country in the Transition to Capitalism,*" in The Transition from Feudalism to Capitalism, edited by Rodney Hilton (London: New Left Books, 1976): 184. Also see, Robert DuPlessis, "*From Demesne to World System: A Critical Review of the Literature on the Transition from Feudalism to Capitalism,*" Radical History Review Vol.3, No.4 (Winter 1977): 12.

20 Frances V. Moulder, Japan, China, and the Modern World System (London: Cambridge University Press, 1977): 21.

21 Thorp and Bertram, Peru - 1890-1977, 37-38.

22 Stephen M. Gorman, "*The State, Elite and Export in Nineteenth Century Peru: Toward an Alternative Reinterpretation of Political Change,*" Journal of Inter-American Studies Vol.21, No.3 (1979):396 and 410-414.

23 Vincent C. Peloso, "*Cotton Planters, the State, and Rural labor Policy: Ideological Origins of the Peruvian Republica Aristocratica, 1895-1908,*" Americas Vol.40, No.2 (October 1983):226.

24 Rory Miller, "*The Coastal Elite and Peruvian Politics, 1895-1919,*" Journal of Latin American Studies Vol.14, No.1 (May 1982):118-119.

25 Baltazar Caravedo, "*Poder central y decentralización: Perú, 1931,*" Apuntes Vol.5, No.9 (1979):112.

26 Ronald H. Berg and Frederick Stirton Weaver, "*Toward a Reinterpretation of Political Change in Peru During the first Century of Independence,*" Journal of Inter-American Studies Vol.20, No.1 (February 1978):75.

27 See Peter Blanchard, "*A Populist Precursor: Guillermo Billingshurst,*" Journal of Latin American Studies Vol.9, No.2 (1972):251-273.

28 See the discussion in Alfred Stepan, The State and Society (Princeton: Princeton University Press, 1978), 1-17.

29 Theda Skocpol, States and Social Revolutions (NY: Cambridge University Press, 1979): 30.

30 See the discussion in Friedman, The State and Underdevelopment, 4-21. Also see, Stepan, The State and Society; Martin Carnoy, The State and Political Theory (Princeton: Princeton University Press, 1984); Stuart Hall, *"The 'Political' and the 'Economic' in Marx's Theory of Classes,"* in Class and Class Structure, edited by Alan Hunt (London: Lawrence and Wishart, 1977): 28-36; and Nicos Poulantzas, Political Power and Social Classes (London: New Left Books, 1973): 57-73.

31 Huntington, Political Order, 24-28.

32 Revilla, 17 and 23.

33 Thorp and Bertram, *"Industrialization,"* 67.

34 Friedman, 168-179.

35 Frederick B. Pike, The Modern History of Peru (NY: Praeger Publishers, 1969):168-175.

36 Thorp and Bertram, *"Industrialization,"* 63.

37 Anthony Ferner, *"The Dominant Class and Industrial Development in Peru,"* Journal of Development Studies Vol.15, No.4 (1979):282; Victor Villanueva, *"The Petty-Bourgeois Ideology of the Peruvian APRISTA Party,"* Latin American Perspectives Issue 14, Vol.4, No.3 (Summer 1977):59; Thorp and Bertram, *"Industrialization,"* 66; and Thorp and Bertram, Peru - 1890-1977, 115. The Peruvian coastal elite was créated by state largesse during the Guano Era in much the same way, see Gorman, 410-413; and Friedman, 168-179.

38 See Heraclio Bonilla, *"La emergencia del control norteamericano sobre economia peruana, 1850-1930,"* Desarrollo Economico Vol.16, No.64 (January - March 1977):581-600; Thorp and Bertram, Peru - 1890-1977, 141; and Bollinger, 45.

39 Ronald Bruce St.John, *"The End of Innocence: Peruvian Foreign Policy and the United States, 1919-1942,"* Journal of Latin American Studies Vol.8, No.2 (November 1976):325-326.

40 B.W. Loveday, *"Sanchez Cerro and Peruvian Politics, 1930-1933,"* Occasional Papers No.6, Institute of Latin American Studies, University of Glasgow (1973):1-17.

41 V.I. Lenin, Selected Works, Vol.6 (NY: International Publishers, 1974):33.

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